

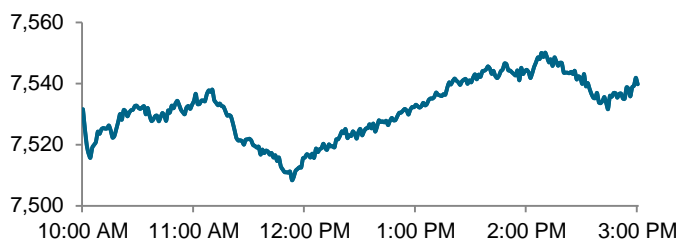
# DAILY MARKETS OVERVIEW

السعودي الفرنسي كابيتال  
Saudi Fransi Capital  
تميز في الخدمة، تفوق في الأداء



JANUARY 18, 2018

## TASI Intraday



Source: Reuters

## Saudi Stock Indices

| Index                          | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|--------------------------------|------------|---------|-------|-------|----------|
| Saudi (TASI)                   | 7,540      | 0.1     | 2.7   | 4.3   | 17.7     |
| Saudi (NOMU)                   | 3,084      | 0.4     | 2.1   | -1.8  | NA       |
| Energy                         | 4,406      | 0.1     | 0.3   | 3.0   | 15.6     |
| Materials                      | 5,267      | 0.4     | 3.0   | 4.2   | 21.6     |
| Capital Goods                  | 4,353      | 0.1     | 1.3   | 0.3   | 15.1     |
| Com. & Prof. Svc               | 4,224      | -1.0    | 0.3   | 0.4   | 17.0     |
| Transportation                 | 4,133      | -0.2    | -0.7  | 3.0   | 15.9     |
| Cons. Durables & Apparel       | 4,074      | -0.2    | 1.3   | -1.6  | NA       |
| Consumer Services              | 3,803      | -0.5    | 2.4   | 3.2   | 12.2     |
| Media                          | 8,546      | 2.5     | 10.5  | 10.5  | NA       |
| Retailing                      | 5,859      | -0.4    | 0.6   | 4.0   | 19.0     |
| Food & Staples Retailing       | 5,589      | -1.7    | -1.1  | -0.4  | 24.8     |
| Food & Beverages               | 5,034      | 0.4     | 4.0   | 2.8   | NA       |
| Health Care Equipment          | 4,667      | 0.4     | 2.6   | 5.0   | 25.1     |
| Pharma, Biotech & Life Science | 4,129      | 0.2     | 1.0   | 4.0   | 10.3     |
| Banks                          | 5,934      | 0.0     | 3.0   | 7.9   | 12.2     |
| Diversified Financials         | 4,052      | -0.7    | 3.1   | 0.6   | NA       |
| Insurance                      | 4,768      | 0.6     | 2.5   | 0.9   | 17.1     |
| Telecommunication              | 4,360      | -1.0    | 1.6   | 2.5   | 14.5     |
| Utilities                      | 4,542      | -0.2    | 2.2   | -0.4  | 8.9      |
| REITs                          | 4,510      | 0.4     | 0.4   | -2.6  | NA       |
| Real Estate                    | 4,575      | 0.4     | 3.1   | -2.6  | NA       |

Sources: Bloomberg, Reuters, Tadawul

## Top 5 Gainers

| Company                                  | Last Close | % Change | Value (SAR mn) |
|------------------------------------------|------------|----------|----------------|
| Jazan Development Co.                    | 18.03      | 7.8%     | 24.5           |
| Arabian Shield Cooperative Insurance Co. | 41.98      | 3.2%     | 25.2           |
| Al-Rajhi Co. for Cooperative Insurance   | 63.79      | 3.0%     | 13.9           |
| Arabia Insurance Cooperative Co.         | 17.76      | 2.7%     | 5.1            |
| Saudi Industrial Export Co.              | 148.94     | 2.6%     | 4.4            |

Source: Tadawul

## Upcoming General Assembly Meetings

| Company                                | Proposed Date |
|----------------------------------------|---------------|
| Saudi Ground Services Co.              | 21-Jan-18     |
| Saudi Electricity Co.                  | 21-Jan-18     |
| National Gas and Industrialization Co. | 29-Jan-18     |
| Southern Province Cement Co.           | 4-Feb-18      |
| Basic Chemical Industries Co.          | 6-Feb-18      |

Source: Tadawul

**NOTES:** (1) Prices as of last trade. Updated as of January 18, 2018  
(2) WTD: Week to Date and YTD: Year to Date

## Saudi Market Update

- The TASI gained 0.1% to close at 7,540, while NOMU gained 0.4% to close at 3,084 on Wednesday. TASI traded value totaled SAR 3.1bn and averaged SAR 3.7bn over the last 30 days. The five most active stocks (by value) in TASI accounted for 48.2% of the daily traded value.
- Banks closed flat, while Materials closed 0.4% higher. Telecom declined 1.0%. Media (up 2.5%) was the best performer. Among stocks, Jazan Development Co. (6090/GIZACO AB), Arabian Shield Cooperative Insurance Co. (8070/SHIELD AB), and Al-Rajhi Co. for Cooperative Insurance (8230/ARCCI AB) led gainers.
- Moody's Investors Service expects KSA's real GDP to expand in 2018 after contracting in 2017, led by the fiscal consolidation approach outlined in the 2018 budget. The agency expects the economy to grow around 1% in 2018 and further improve in the coming years. (Source: Argam)
- Al-Madinah reported the Ministry of Housing is expected to raise the number of beneficiaries for housing units to 375,000. The Ministry is also working on new projects and products that would provide up to 10-year guarantees. (Source: Argam)
- The Ministry of Housing revealed Real Estate Development Fund reported SAR 30bn (USD 8bn) in non-performing loans by the end of 2017 due to a segment of citizens failing to pay back housing loan installments. (Source: Argam)
- Bloomberg reported KSA is planning to issue tenders for eight renewable projects this year, with a total capacity of 4.1 gigawatts at an estimated cost of USD 5bn (SAR 19bn) to USD 7bn (SAR 26bn). (Source: Argam)
- The Ministry of Education announced a tender for private companies to build 60 schools. This initiative is part of economic reforms designed to ease pressure on state finances. (Source: Zawya)
- Al-Fouzan Trading & General Construction Co. secured a SAR 620mn (USD 165mn) contract from Jeddah Economic, associate of Kingdom Holding Co. (4280/KINGDOM AB), to construct the infrastructure networks of Jeddah Tower and Jeddah Economic City within 12 months. (Source: Mubasher)

## Top 5 Losers

| Company                        | Last Close | % Change | Value (SAR mn) |
|--------------------------------|------------|----------|----------------|
| Southern Province Cement Co.   | 48.81      | -2.2%    | 3.9            |
| Kingdom Holding Co.            | 9.14       | -1.8%    | 3.3            |
| Herfy Food Services Co.        | 46.85      | -1.7%    | 20.0           |
| AXA Cooperative Insurance Co.  | 23.21      | -1.5%    | 12.0           |
| Abdullah Al Othaim Markets Co. | 124.11     | -1.5%    | 5.0            |

## Most Active Stocks by Value (SAR mn)

| Company                                 | Last Close | % Change | Value (SAR mn) |
|-----------------------------------------|------------|----------|----------------|
| Dar Alarkan Real Estate Development Co. | 11.09      | 1.0%     | 392            |
| Saudi Basic Industries Corp.            | 107.24     | 1.0%     | 372            |
| Saudi Kayan Petrochemical Co.           | 11.31      | -0.7%    | 300            |
| Alinma Bank                             | 20.49      | -0.3%    | 290            |
| Al Rajhi Bank                           | 69.49      | 0.4%     | 145            |

Source: Tadawul

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JANUARY 18, 2018

## GCC Stock Indices

| Index           | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|-----------------|------------|---------|-------|-------|----------|
| Dubai (DFM)     | 3,542      | 0.5     | 1.4   | 5.1   | 22.1     |
| Abu Dhabi (ADX) | 4,635      | 0.4     | 1.0   | 5.4   | 16.6     |
| Kuwait (KSE)    | 6,603      | -0.3    | 0.7   | 3.0   | 15.9     |
| Qatar (QE)      | 9,159      | -0.2    | 0.3   | 7.5   | 15.3     |
| Oman (MSM)      | 5,032      | -0.2    | -1.1  | -1.3  | 11.6     |
| Bahrain (BSE)   | 1,332      | 0.8     | 1.1   | 0.0   | 7.9      |
| DJMENA Index    | 527        | 0.0     | 0.0   | 0.0   | NA       |

Source: Bloomberg, Reuters

## Global Stock Indices

| Index                 | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|-----------------------|------------|---------|-------|-------|----------|
| US (S&P 500)          | 2,803      | 0.9     | 0.6   | 4.8   | 23.5     |
| US (NASDAQ 100)       | 7,298      | 1.0     | 0.5   | 5.7   | 23.1     |
| UK (FTSE 100)         | 7,725      | -0.4    | -0.7  | 0.5   | 23.0     |
| Germany (DAX)         | 13,184     | -0.5    | -0.5  | 2.1   | 19.4     |
| France (CAC 40)       | 5,494      | -0.4    | -0.4  | 3.4   | 18.9     |
| Russia (MICEX)        | 2,278      | 0.9     | 0.7   | 8.0   | 7.7      |
| Japan (Nikkei)        | 23,868     | -0.3    | 0.9   | 4.8   | 20.4     |
| Hong Kong (HSI)       | 31,983     | 0.2     | 1.8   | 6.9   | 15.0     |
| South Korea (KOSPI)   | 2,515      | -0.3    | 0.8   | 1.9   | 10.5     |
| China (SHCOMP)        | 3,445      | 0.2     | 0.5   | 4.2   | 17.6     |
| India (NIFTY)         | 10,789     | 0.8     | 1.0   | 2.4   | 24.2     |
| Brazil (IBOV)         | 81,189     | 1.7     | 2.3   | 6.3   | 20.1     |
| Turkey (BIST 100)     | 1,16,593   | 1.9     | 1.7   | 1.1   | 10.1     |
| Egypt (EGX30)         | 15,199     | 0.7     | -0.3  | 1.2   | 9.4      |
| MSCI Emerging Markets | 1,223      | 0.4     | 1.2   | 5.5   | 16.8     |
| MSCI World            | 2,200      | 0.5     | 0.7   | 4.6   | 22.5     |

Source: Bloomberg, Reuters

## Commodities Prices

| Index                  | Last Close | 1 Day % | WTD % | YTD % | 1 Year % |
|------------------------|------------|---------|-------|-------|----------|
| Brent Crude (\$/bbl)   | 69.4       | 0.3     | -0.7  | 3.8   | 28.7     |
| Natural Gas (\$/mmbtu) | 3.2        | 3.3     | 1.0   | 9.4   | -10.4    |
| Gold (\$/oz)           | 1,327      | -0.8    | -0.8  | 1.8   | 10.2     |
| Silver (\$/oz)         | 17.0       | -1.1    | -1.5  | 0.3   | -0.4     |
| Platinum (\$/oz)       | 1,000      | 0.1     | 0.6   | 7.5   | 3.8      |
| Copper (\$/t)          | 6,994      | -0.6    | -1.1  | -3.0  | 21.8     |
| Zinc (\$/t)            | 3,408      | -1.2    | -0.8  | 2.1   | 23.5     |
| Lead (\$/mt)           | 2,555      | 0.5     | 0.7   | 2.4   | 10.9     |
| Wheat (\$/bu)          | 422        | 1.2     | 0.2   | -1.3  | -16.9    |
| Corn (\$/bu)           | 353        | 1.4     | 1.9   | 0.6   | -11.5    |
| Sugar (\$/lb)          | 13.4       | -1.3    | -5.4  | -11.5 | -32.0    |

Source: Bloomberg

## Interest Rate Watch (3M Interbank Offer Rate, %)

| Country      | Last Close | 1 Day Change | YTD Change | Spread* |
|--------------|------------|--------------|------------|---------|
| US           | 1.73       | 0.00         | 0.04       | 0.00    |
| Saudi Arabia | 1.89       | 0.00         | 0.00       | 0.16    |
| UAE          | 1.83       | 0.00         | 0.03       | 0.09    |
| Kuwait       | 1.88       | 0.00         | 0.00       | 0.14    |
| Qatar        | 2.71       | 0.08         | 0.06       | 0.97    |
| Bahrain      | 2.78       | 0.00         | 0.05       | 1.04    |

Source: Reuters

**NOTES:** (1) Prices updated as of January 18, 2018 (2) WTD: Week to Date; YTD: Year to Date; NA: Not Applicable, \*Spread = US 3M Rate – Country 3M Rate

## GCC & Global Markets Update

- US markets ended in green on Wednesday. The S&P 500 and NASDAQ gained 0.9% and 1.0%, respectively, while Dow Jones Industrial ended 1.3% higher. In Europe, the UK declined 0.4% while Germany and France closed 0.5% and 0.4% lower respectively.
- Asian markets are trading higher on Thursday. China and Japan are trading 0.3% and 0.5% higher respectively. South Korea and Hong Kong are up by 0.3% and 0.1% respectively. India is up by 0.7% in morning trade.
- GCC markets ended mixed on Wednesday. Dubai and Abu Dhabi gained 0.5% and 0.4% respectively. Kuwait and Qatar closed 0.3% and 0.2% lower respectively. Oman ended 0.2% lower while Bahrain gained 0.8%.
- Kuwait's Oil Minister stated the country has no plans to exit from output cut agreement among OPEC and non-OPEC oil producers. (Source: Zawyia)
- The Central Bank of Oman issued Treasury bills worth OMR 62mn (USD 161mn) with maturity of 91 days. The average yield of the bills was 1.1%. (Source: Gulf Base)
- Citing sources, Al Rai reported the budget allocated to the oil sector in Kuwait is estimated to be over USD 500bn (KWD 153bn) until 2040. Moreover, the budget set would reach USD 100bn (KWD 30.5bn) in the coming five years. (Source: Mubasher)
- Khaleej Times reported the UAE's Federal Tax Authority has extended the timeline for filing the first value-added tax (VAT) returns to reduce reporting and compliance pressure on companies, especially SMEs. (Source: Zawyia)
- The Kuwait's Finance Ministry revealed oil revenues stood at KWD 10.1bn (USD 33.2bn), accounted for 86.7% of the total revenues collected from country's budget, during the first nine months of FY2018. (Source: Mubasher)
- Press Trust of India reported India-based Shree Cement's (SRM IN) board approved to acquire at least 92.8% stake in Union Cement Company (UCC UH) for an enterprise value of USD 305mn (AED 1.1bn). This acquisition would enhance the former's cement capacity from 29.3mn tons (MT) annually to 33.3 MT. (Source: Trade Arabia)
- WAM reported Sharjah Investment and Development Authority (Shurooq) and Eagle Hills entered into a partnership to develop three real estate projects worth AED 2.7bn (USD 735mn) – Palace Al Khan, Maryam Island, and Kalba Waterfront. (Source: Trade Arabia)
- Al Rai revealed Kuwait Petroleum Corporation's (KPC) board approved Kuwait Oil Company's plans to produce 4.3mn bpd under "Strategy 2040", and added KPC would receive bids for six drillers at a total cost of KWD 900mn (USD 2.9bn) by mid-April. (Source: Mubasher)
- According to MEED, Belhasa Six consortium and China State Construction Engineering Corporation are interested in constructing Emaar Properties' AED 3.7bn (USD 999mn) Dubai Creek Tower, claimed to be the world's tallest tower. (Source: Mubasher)

## Coming Up

- Change in the China's GDP for 4Q17 (prior: 1.7% Q/Q, 6.8% Y/Y; consensus: 6.7% Y/Y) will be announced today. (Source: Econoday)
- US jobless claims for the week ended January 13 (prior: 261K; consensus: 250K) will be announced today. (Source: Econoday)
- US EIA Petroleum status report on weekly change in crude oil inventories for the week ended January 12 (prior: -4.9mn barrels) will be announced today. (Source: Econoday)

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